

CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

30 September 1970

Mr. Wilfred H. Rommel
Assistant Director for Legislative Reference
Office of Management and Budget
Washington, D. C. 20503

Dear Mr. Rommel:

I am writing in regard to the proposed legislation amending the Central Intelligence Agency Retirement Act of 1964 for Certain Employees, as amended, which was transmitted for Office of Management and Budget's advice on 26 June 1970.

Treasury, in their report to OMB of 22 September 1970, opposes our draft bill so long as it contains a definition of "unfunded liability" drawn from recently enacted laws applicable to the Civil Service and Foreign Service retirement systems rather than the new "standard definition" proposed by Treasury. Mr. Zafra, of your office, has requested our comments on Treasury's report and this letter constitutes our response.

While we are quite prepared to come into line with whatever definition of "unfunded liability" is ultimately acceptable to OMB, we are concerned that the matter may not be resolved in sufficient time for favorable action by the 91st Congress. Favorable congressional action is still possible, but each day of delay in transmittal works against us.

Treasury's report of 22 September focuses solely on the funding provisions in our draft bill (Title I), which Treasury would endorse if the definition of unfunded liability is changed as they have suggested. In a recent meeting Treasury officials made clear that if Title I of the bill were deleted they would have no objection to the remaining provisions (Title II).

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As you may know, Mr. Zafra has suggested that we transmit to the 91st Congress only section 204 of the draft bill (which provides relief from the existing ceiling on the number of certain retirement actions which can be effected through fiscal year 1974) and defer to the 92nd Congress all of Title I and the remaining provisions of Title II.

Although retirement ceiling is a critical problem, it is also true that all other provisions of Title II (except one minor technical amendment) previously have been cleared twice by OMB for transmittal to the Congress, have been favorably reported by legislative committee, and have been approved by the House of Representatives. These other provisions are not critical in and of themselves, but when considered with the other sections they are important in maintaining the CIA retirement system as an effective management tool for handling the problem for which the system was originally designed (effectiveness in certain career areas where age is a vital factor) and for reducing manning levels.

I am sure you can appreciate the urgency with which we approach the present but fast-fading opportunity for getting favorable action on as much of the draft bill as possible during the 91st Congress, especially since most of these provisions have been on the Hill in the form of legislation since 1966 and are noncontroversial in nature.

We therefore urge that approval be given for transmittal of the proposed legislation to the 91st Congress now, either:

- (a) as transmitted to OMB, or
- (b) as transmitted to OMB with adjustments in Title I as recommended by Treasury, or
- (c) as Title II only

with the understanding that we will support such future amendments as may be necessary to assure that CIA retirement system funding provisions are in harmony with other Federal retirement systems, however the matter now at issue is resolved.

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Sincerely,



John M. Maury
Legislative Counsel